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Press Office Tel: 202-712-4320

Public Information Tel: 202-713-4810

Email: [usaid-panamainfo@usaid.gov](mailto:usaid-panamainfo@usaid.gov)

<http://www.usaid.gov>

## FACT SHEET

### CLIMATE CHANGE ACTIVITIES

USAID supported activities in Panama between fiscal years 2001-2005 that helped to address the causes and effects of global climate change. The focus of this assistance included contributions that i) increased participation in the United Nations Framework Convention on Climate Change (UNFCCC) and ii) reduced greenhouse gas (GHG) emissions by improving land use and forest management. Through technical assistance and training, USAID helped Panama increase its capacity to meet its commitments under the UNFCCC, acquire the tools needed for improving its participation in the UNFCCC, and improve overall watershed management.

#### **A. Increased Participation in the UNFCCC:**

##### 1. Capacity Building to Meet Commitments under the UNFCCC

USAID assistance helped foster Panama's ability to develop GHG mitigation projects through training and technical assistance measures, such as:

- Assisting in the preparation of a preliminary national mitigation project portfolio that included 58 pilot projects in energy (both supply and demand), forestry, waste management, and transport.
- Assisting in the preparation of a reference book on the mitigation projects.
- Contributing to establishing the national clean production center in partnership with the National Council of Private Businesses (CONEP) and the Inter-American Development Bank (IDB).

##### 2. Tools for Participation under the UNFCCC

- Training was provided to Panamanians in the use of the MARKAL Macro Model, developed by Brookhaven National Laboratory. The MARKAL Macro tool provides an integrated method for accounting for the interaction of the energy, environment and economic sectors in a sustainable development scenario. As a result, Panama now has the ability to apply this tool to evaluate mitigation projects. This tool can also help Panama develop a national climate change action plan under the UNFCCC.
- A life-cycle analysis of additional carbon sequestered for reforestation and forest protection projects was developed to help model land use change and carbon sequestration potential. Technical assistance was carried out in close collaboration with the Panama Canal Authority and Panama's National Environmental Authority. Credible

estimates of effects of land-use interventions on carbon sequestration are useful to Panama since it improves its capacity to participate in forestry-based carbon sequestration projects.

### 3. Policy Advances Supporting the UNFCCC

- With USAID assistance, the Panamanian Ministry of Agriculture adopted a new Sustainable Livestock Policy which incorporates best practices and generated increased income for cattle ranchers while conserving the environment.
- The Agricultural Development Bank also received technical assistance from USAID that resulted in the Bank's adoption of sustainable cattle ranching criteria for new loans in the Panama Canal Watershed. This measure complements the Sustainable Livestock Policy announced by the Ministry of Agriculture. By reforming its loan policy, financing becomes a tool in support of best practices and clean production of agricultural systems, including long-term loans for forestry activities.
- With USAID support, loan officers in the Agricultural Development Bank received training to improve their evaluations of loan applications for activities in sustainable cattle ranching.
- Panama's National Environmental Authority adopted Regulations on Administration and Service Concession in protected areas.

### **B. Reduced Greenhouse Gas Emissions from Land Use and Forest Management:**

- Assistance was provided to develop sound environmentally-friendly activities and promote the use of sustainable land management standards in protected areas. This focus supports effective management of natural resources and conservation. For instance, USAID has promoted sustainable tourism activities in the Soberania National Park and the Plan for Area Conservation in the Chagres National Park.
- The Parks in Peril program in alliance with The Nature Conservancy provided resources that helped to improve protection and management of the Chagres National Park.
- Fifty-six farms participating in the Parks in Peril program developed farming plans and their owners received training in sustainable ranching and agricultural practices.
- With a USAID contribution of \$30,000, Parks in Peril helped leverage \$1.5 million from the private sector to work with four non-governmental organizations (NGOs): ANCON, CEASPA, SONDEAR and Fundacion NATURA. These resources are helping to strengthen the capacity of these NGOs to address protected area management.
- Two debt-for-nature swaps were made under The Tropical Forest Conservation Act (TFCA), and are part of an innovative financing mechanism that promotes conservation of protected areas and biodiversity.
  - In collaboration with The Nature Conservancy, an \$11 million Chagres Fund was established which is being used to hire Park personnel; implement management and conservation activities such as Park signage and environmental education; and promote co-management of the Park as a model for other protected areas.

- In collaboration with Fundacion Nature, a \$10 million Darien Fund was established to support activities that help local communities prioritize tasks in the Management Plan for the National Darien Park. These resources are helping to leverage additional funding and promote strategic alliances with other donors and projects in the area.

Effective conservation interventions in the Panama Canal Watershed and Darien contribute to the reduction of loss of carbon sinks outside protected areas and in the prevention of carbon leakage from protected areas.

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